

Revenue Raising Options for Early Care and Education Advocates to Explore in the States

States	Corporate and Business Taxes		Estate and Inheritance Taxes				Personal Income Taxes						Property Taxes		Sales Taxes		
	Dedicate revenue from new or increased levies of corporate income tax	Dedicate development fees on new commercial real estate developments (jurisdictions where schools qualify to receive impact fees)	Increase rate and/or reduce the exemption level	Change the treatment of capital gains for estates	(Fill in appropriate verbs here) probate fees	Enact an estate/inheritance tax	Increase income tax rates and dedicate funding to ECE	Enact/increase a millionaires tax	Limit/eliminate itemized deductions	Phaseout Personal Exemption/Credit or Standard Deduction for Upper-Income Taxpayers	Eliminate deduction for federal/state income taxes paid	Eliminate special treatment of capital gains income	Increase real estate transfer tax; levy a higher rate on higher-valued homes	State-level property tax	Set aside sales tax revenue from new or existing sales tax levies for ECE	Expand sales tax base to include more services	Eliminate sales tax holidays
Alabama	Yes					Yes	Yes (also local)	Yes	Eliminate or Limit	Yes (Dep exemption currently phases out)	Eliminate Federal Income Tax Deduction		Yes	Yes	Yes	Yes	Yes
Alaska	Yes					Yes	No income tax							Yes	No sales tax		
Arizona	Yes					Yes	Yes	Yes	Eliminate or Limit	Yes	Eliminate State Income Tax Deduction	Yes	Yes	Yes	Yes	Yes	
Arkansas	Yes					Yes	Yes (also local)	Yes	Eliminate or Limit			Yes	Yes	Yes	Yes	Yes	Yes
California	Yes	Yes				Yes	Yes	Yes	Eliminate or Limit (currently has steeper phase down)	PE credit currently phases out/start at lower income			Optional county transfer tax; city transfer tax	Yes	Yes	Yes	
Colorado	Yes					Yes	Yes (also local)	Constitution prohibits graduated rate; amendment required	Eliminate or Limit				Yes		Yes	Yes	
Connecticut	Yes		Yes (Estate)	Yes (Estate)	Yes		Yes	Yes					Recently enacted higher tax on high-worth homes		Yes	Yes	Yes
Delaware	Yes (also local)						Yes (also local)	Yes	Eliminate or Limit	Yes			Yes		No sales tax		
District of Columbia	Yes (also local)		Yes (Estate)	Yes (Estate)			Yes	Yes	Eliminate or Limit (currently has steeper phase down)	Yes			Yes		Yes	Yes	
Florida	Yes	Yes				Yes	No income tax						Yes		Yes	Yes	
Georgia	Yes					Yes	Yes	Constitution prohibits top rate higher than 6%	Eliminate or Limit	Yes	Eliminate State Income Tax Deduction		Yes	Yes	Yes	Yes	
Hawaii	Yes	Yes	Yes (Estate)	Yes (Estate)			Yes	Yes	Eliminate or Limit (currently has steeper phase down)	Yes	Eliminate State Income Tax Deduction	Yes	Yes		Yes	Yes	
Idaho	Yes					Yes	Yes	Yes	Eliminate or Limit						Yes	Yes	
Illinois	Yes		Yes (Estate)	Yes (Estate)			Yes			Yes			Yes	Yes	Yes	Yes	
Indiana	Yes					Yes	Yes (also local)	Yes		Yes				Yes	Yes	Yes	
Iowa	Yes		Yes (Inheritance)	Yes (Inheritance)			Yes (also local)	Yes	Eliminate or Limit		Eliminate Federal Income Tax Deduction		Yes		Yes	Yes	Yes
Kansas	Yes					Yes	Yes	Yes	Eliminate or Limit	Yes			Mortgage registration tax	Yes	Yes	Yes	
Kentucky	Yes (also local)		Yes (Inheritance)	Yes (Inheritance)			Yes (also local)	Yes	Eliminate or Limit				Yes	Yes	Yes	Yes	
Louisiana	Yes					Yes	Yes	Yes	Eliminate or Limit		Eliminate Federal Income Tax and State Income Tax Deduction			Yes	Yes	Yes	
Maine	Yes		Yes (Estate)	Yes (Estate)			Yes	Yes	Eliminate (ME already has strong limitations)				Yes	Yes	Yes	Yes	
Maryland	Yes	Yes	Yes (Estate, Inheritance)	Yes (Estate, Inheritance)			Yes (also local)	Yes	Eliminate or Limit				Yes	Yes	Yes	Yes	Yes
Massachusetts	Yes		Yes (Estate)	Yes (Estate)	Yes		Yes	Constitution prohibits graduated rate; amendment required		Yes			Yes		Yes	Yes	Yes
Michigan	Yes				Yes	Yes	Yes (also local)	Constitution prohibits graduated rate; amendment required		Yes			Yes	Yes	Yes	Yes	
Minnesota	Yes		Yes (Estate)	Yes (Estate)			Yes	Yes	Eliminate or Limit (currently has steeper phase down)				Yes	Yes	Yes	Yes	
Mississippi	Yes					Yes	Yes	Yes	Eliminate or Limit	Yes				Yes	Yes	Yes	Yes
Missouri	Yes (also local)				Yes	Yes	Yes (also local)	Yes	Eliminate or Limit	Yes (has small limit)	Eliminate Federal Income Tax Deduction			Yes	Yes	Yes	Yes

Montana	Yes	Yes				Yes	Yes	Yes	Eliminate or Limit	Yes	Eliminate Federal Income Tax Deduction	Yes		Yes	No sales tax		
Nebraska	Yes		Yes (Inheritance)	Yes (Inheritance)		Yes	Yes	Yes	Eliminate or Limit	Yes			Yes	Yes	Yes	Yes	
Nevada	Yes (Gross Receipts Tax)	Yes				Yes	No income tax						Yes	Yes	Yes	Yes	
New Hampshire	Yes	Yes				Yes	Limited income tax						Yes	Yes	No sales tax		
New Jersey	Yes		Estate, Inheritance	Estate, Inheritance			Yes (also local)	Yes		Yes			Yes	Yes	Yes	Yes	
New Mexico	Yes					Yes	Yes	Yes	Eliminate or Limit			Yes		Yes	Yes	Yes	Yes
New York	Yes (also local)		Yes (Estate)	Yes (Estate)			Yes (also local)	Yes	Eliminate or Limit (currently has steeper phase down)	Yes (dependent exemption only)			Yes		Yes	Yes	
North Carolina	Yes					Yes	Yes	Yes	Eliminate or Limit (currently caps some IDs)	Yes (standard deduction)			Yes		Yes	Yes	
North Dakota	Yes					Yes	Yes	Yes	Eliminate or Limit		Eliminate State Income Tax Deduction	Yes		Yes	Yes	Yes	
Ohio	Yes (Gross Receipts Tax) (also local)					Yes	Yes (also local)	Yes		Yes (has small limit)			Yes		Yes	Yes	Yes
Oklahoma	Yes					Yes	Yes	Yes	Eliminate or Limit	Yes			Yes		Yes	Yes	Yes
Oregon	Yes (also local)	Yes	Yes (Estate)	Yes (Estate)			Yes (also local)	Yes	Eliminate or Limit		Eliminate Federal Income Tax Deduction		Only in Washington County	Yes	No sales tax		
Pennsylvania	Yes (also local)		Yes (Inheritance)	Yes (Inheritance)	Yes		Yes (also local)	Constitution prohibits graduated rate; amendment required					Yes	Yes	Yes	Yes	
Rhode Island	Yes	Yes	Yes (Estate)	Yes (Estate)			Yes	Yes					Yes	Yes	Yes	Yes	
South Carolina	Yes					Yes	Yes	Yes	Eliminate or Limit			Yes	Yes	Yes	Yes	Yes	Yes
South Dakota						Yes	No income tax						Yes		Yes	Yes	
Tennessee	Yes					Yes	No broad income tax						Yes		Yes	Yes	Yes
Texas	Yes (Gross Receipts Tax)					Yes	No income tax								Yes	Yes	Yes
Utah	Yes					Yes	Yes	Yes	Eliminate or Limit	Combined credit phases out					Yes	Yes	
Vermont	Yes (also local)	Yes	Yes (Estate)	Yes (Estate)			Yes	Yes	Eliminate or Limit (currently caps some IDs)			Yes	Yes	Yes	Yes	Yes	
Virginia	Yes				Yes	Yes	Yes	Yes	Eliminate or Limit	Yes			Yes	Yes	Yes	Yes	Yes
Washington	Yes (Gross Receipts Tax)	Yes	Yes (Estate)	Yes (Estate)			No income tax						Yes	Yes	Yes	Yes	
West Virginia	Yes	Yes				Yes	Yes (also local)	Yes		Yes			Yes	Yes	Yes	Yes	
Wisconsin	Yes				Yes	Yes	Yes	Yes	Eliminate or Limit	SD credit currently phases out/phase out personal exemption		Yes	Yes	Yes	Yes	Yes	
Wyoming						Yes	No income tax							Yes	Yes	Yes	

Notes: Reflects law as of June 2019